

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Parcel Select Contracts 6 (MC2013-13)
Negotiated Service Agreement

Docket No. CP2013-13

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE AMENDMENT TO
PARCEL SELECT CONTRACT 6

(December 18, 2013)

The Public Representative hereby provides comments pursuant to Order No. 1900.¹ In that Order, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice of an amendment to Parcel Select Contract 6.² The Notice includes a redacted copy of the amendment as Attachment A, with an unredacted version filed under seal.

The amendment changes the methodology for calculating prices applicable to the second year of the Parcel Select Contract 6 contract and the annual adjustment to prices in the second and third years of the contract. Notice, Attachment A; Order No. 1900 at 2. The Commission previously approved the addition of Parcel Select Contract 6, which features rates not “of general applicability,” to the competitive product list in Docket Nos. MC2013-13 and CP2013-13.³

The Postal Service maintains that the amendment “will not materially affect the cost coverage” of the contract. Notice at 1. As a result, the Postal Service states that

¹ PRC Order No. 1900, Notice and Order Concerning Amendment to Parcel Select Contract 6, December 11, 2013.

² Notice of United States Postal Service of Amendment to Parcel Select Contract 6, With Portions Filed Under Seal, December 9, 2013 (Notice).

³ See PRC Order No. 1538, Order Adding Parcel Select Contract 6 to the Competitive Product List, November 8, 2012.

“supporting financial documentation and financial certification initially provided in this docket remain applicable.” *Id.* The amendment will become effective “one business day after the Commission completes its review of this filing.” *Id.*

COMMENTS

The Public Representative has reviewed the contract amendment, as well as the contract as initially filed and the financial data filed under seal with the Postal Service’s notice in Docket Nos. MC2013-13 and CP2013-13. In the absence of updated supporting financial data, the Public Representative must rely primarily on the Postal Service’s representations to conclude that the amended contract will continue to satisfy 39 U.S.C. § 3633(a).

The Postal Service provides no explanation or any support for its assertion that the amendment will not materially affect the contract cost coverage. From a review of the cost coverage projected for the first year of the contract, the Public Representative believes the amended contract will continue to cover costs. If a similar cost coverage occurs in the second and third years, the Postal Service is unlikely to experience a loss should the price change methodology and the annual adjustments materially reduce the cost coverage.

The Public Representative respectfully submits the foregoing comments for the Commission’s consideration.

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